



*For Immediate Release:
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MEDIA RELEASE

Business Welcomes Education Tax Reduction

Kitchener, ON – Today’s provincial budget contained a number of important announcements for businesses in Waterloo region.

Foremost is the announcement of a reduction in the business education tax over the next seven years. This announcement represents a reduction for Waterloo region businesses of more than \$16.3 million in industrial and more than \$19.5 million in commercial property taxes by 2014.

“This is a major win for chambers of commerce. We have lobbied for the government to address the unfairness of this tax for years.”, said Todd Letts, Chamber President & CEO.

In addition, the government announced reform of the property tax system. The next property value reassessment will occur in 2009 and on a new four-year cycle. Key changes include that any increase in value resulting from a reassessment would be phased in over four years, however, reassessment decreases would apply immediately. The new reassessment system would replace the complicated capping and claw back system which withheld property tax decreases and had been seen as unfair to many businesses. The government also confirmed their commitment to eliminate the capital tax on July 1, 2010.

“The elimination of the capital tax will encourage more businesses to invest in equipment and technology.”, said Letts, *“Together with the reduction in the business education tax, property tax reforms and the establishment of a new Ontario Manufacturing Council, today’s budget addressed a number of competitiveness factors for local manufacturers – a key focus of our pre-budget submission to the finance minister.”*

Businesses, will however, incur additional costs with the introduction of a minimum wage increase of 75 cents beginning March 1, 2008 for each of the next three years reaching \$10.25 in 2010.

With respect to transit investment, this budget committed to complete the technical studies and environmental assessment for the Waterloo Region Light Rail Transit system and to support the cost of one-third of the project.

It is also important to note a return to a balanced budget, this government’s first since taking office in 2003.

The chamber’s post-budget summary is attached and can also be viewed under the News & Media Releases section of www.greaterkwchamber.com

The Greater Kitchener Waterloo Chamber of Commerce is the largest accredited Chamber in the Province, with more than 1900 members representing all sectors of the business community. Our membership includes small, medium and large employers who provide over 70,000 jobs in Waterloo Region.

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2007 Ontario Budget
March 22, 2007



Chamber Speaks...
Government Listens

What We Asked For . . . (Overview of Key Chamber Advocacy Recommendations)	What We Got . . . (Items in the 2007 Ontario Budget)		What It Means To You . . .
Recommendations for Improving Productivity			
Manufacturing Issues <ul style="list-style-type: none"> ▪ Immediate elimination of the capital tax. ▪ Commence a study of Ontario's competitiveness in the manufacturing sector. ▪ Lowering of the manufacturing and resource income tax rate back to 11 per cent. 	B	<ul style="list-style-type: none"> ▪ The creation of an Ontario Manufacturing Council to increase sector competitiveness. ▪ Accelerate the elimination of the capital tax to July 10, 2010 from January 1, 2012. 	<ul style="list-style-type: none"> ▪ Due to significant issues in the local manufacturing sector, the Chamber strongly advocated the immediate elimination of the capital tax.
Business Education Taxes <ul style="list-style-type: none"> ▪ A single, uniform tax rate applied equally to both the residential and business property classes. 	A	<ul style="list-style-type: none"> ▪ Over the course of seven years, the Business Education Tax rates in all municipalities where rates are higher than 1.6 per cent will be reduced (most Ontario municipalities). ▪ By 2014, Business Education Taxes will be reduced by \$540 million. 	<ul style="list-style-type: none"> ▪ A reduction for Waterloo Region businesses of more than \$16.3 million in industrial and \$19.5 million in commercial property taxes by 2014. ▪ Our Chamber identified property tax fairness as a major budget issue.

<p>Debt Reduction</p> <ul style="list-style-type: none"> ▪ A program to move the debt to GDP ratio to 15 per cent. ▪ A balanced budget. ▪ Spending increases be limited to a maximum 3 per cent (inflation plus population growth) annually. 	<p>B</p>	<ul style="list-style-type: none"> ▪ The budget is balanced. ▪ The debt-to-GDP ratio will be at its lowest level in 13 years and will improve to 17.4 per cent by 2009-10. 	<ul style="list-style-type: none"> ▪ The Chamber strongly supports fiscal restraint at all levels of government and a limit on spending increases.
<p>Physician Shortages in Waterloo Region</p> <ul style="list-style-type: none"> ▪ Increase the number of spaces by 20 per cent for postgraduate training of doctors. ▪ Establish a recruitment program to attract Canadian trained doctors practicing out of province and country. 	<p>B</p>	<ul style="list-style-type: none"> ▪ An additional \$34 million to improve access to health professionals. ▪ First-year undergraduate medical school enrolment is being increased by 23 per cent between 2004-05 and 2009-10. 	<ul style="list-style-type: none"> ▪ Our Chamber, through the Health Care Recruitment Council, will continue our strong program of advocacy for improved primary health care resources and services in our community.
<p>Eliminating Barriers for Internationally Trained Professionals</p> <ul style="list-style-type: none"> ▪ Additional support and funding for certification, licensing, and accreditation of internationally trained professionals. 	<p>A</p>	<ul style="list-style-type: none"> ▪ A \$146 million annual investment in services and programs for integrating newcomers into the labour market. ▪ Global Experience Ontario, a new resource centre for new Canadians entering regulated professions. 	<ul style="list-style-type: none"> ▪ Through the Waterloo Region Immigrant Employment Network (WRIEN), our Chamber has placed a priority on integrating immigrants into the local workforce and ensuring that employer requirements for skilled workers are adequately addressed.
<p>Funding Post-Secondary Education</p> <ul style="list-style-type: none"> ▪ Enhance funding for post-secondary institutions to develop research for business innovation ▪ Enhancing student financial aid programs. ▪ Increasing the Co-operative Education Tax Credit. ▪ Financial support for Conestoga College's expansion. 	<p>B</p>	<ul style="list-style-type: none"> ▪ Total base operating grants to colleges and universities will increase to \$4 billion in 2007-08. 	<ul style="list-style-type: none"> ▪ Investments in local universities and Conestoga College are also critical for meeting employer skill requirements.

Strategic Investments in Infrastructure			
Waterloo Region Rapid Transit <ul style="list-style-type: none"> A provincial investment in the Region's Rapid Transit Initiative. 	A	<ul style="list-style-type: none"> A one-third investment toward the Kitchener-Waterloo Light Rail Transit system along with federal and municipal partners. 	<ul style="list-style-type: none"> Public transit is critical for managing future growth and avoiding congestion issues.
Highway #7 Expansion between Kitchener Waterloo and Guelph <ul style="list-style-type: none"> An announcement on plans for the construction of a new Highway #7 between KW and Guelph 		<ul style="list-style-type: none"> No direct reference. 	<ul style="list-style-type: none"> The expansion of Highway 7 is a critical economic development and community safety issue.
GO Train Service to Waterloo Region <ul style="list-style-type: none"> Extension of GO Transit Rail service to the Waterloo Region. 	D	<ul style="list-style-type: none"> No direct reference. 	<ul style="list-style-type: none"> GO Train service is vital for managing future population and economic growth.
Improving Canada-US Border Infrastructure <ul style="list-style-type: none"> Continue with infrastructure improvement projects at Detroit-Windsor 	A	<ul style="list-style-type: none"> Commitment to complete a new Windsor-Detroit crossing by 2013. 	<ul style="list-style-type: none"> Waterloo Region businesses are increasingly dependent on exports and require significant border infrastructure improvements for the effective movement of goods and services.

Legend:

- A** – Issues were well addressed
- B** – Issues were relatively well addressed, with some room for improvement
- C** – Issues were not well addressed
- D** – Issues were not addressed
- F** – Poor choices made